

REAL ASSETS



Milestones of company development

2018

KGAL celebrates its 50th anniversary following a record year



2017

Largest single account in the EC region for a German investor (2 billion euros)



2015

Founding of KGAL UK Ltd. in London



2014

KGAL Investment Management obtains KVG licence



2010

First transnational European photovoltaic funds for institutional investors



2005

First solar energy funds



2003

First involvement in the wind sector



2001

First funds in Austria with an office property in Vienna



1989

Joint venture between Deutsche Lufthansa AG and KGAL for finance leasing



1979

First aircraft leasing funds in Germany



1979

First property fund model



1968

Founding of KGAL





Foreword



Gert Waltenbauer
Chairman of the Board of
Managing Directors (CEO),
KGAL GmbH & Co. KG

2018 is a very special year for us: KGAL is celebrating its 50th birthday! But we do not want to look back, we look to the future. In new markets and with up-to-date products, we want to enable investors to invest successfully in long-term real asset investments in the asset classes of real estate, infrastructure and aviation.

During this period, the company has become a leading European asset and investment manager. Today, the volume of investments has grown to 22.7 billion euros under our management. Around 82,000 investors, predominantly German and European pension institutions, insurance companies and pension funds, private investors and family offices, rely on the expertise and experience of the company's about 340 employees.

The return expectations of our investors and the steady low interest rates in the market environment make KGAL's tangible asset investments more attractive than ever. Tangible assets are a valuable component of portfolio diversification due to their low correlation with other asset classes. KGAL has also set up an extensive risk management system for on-going identification, measurement, control and reporting of relevant risks. This supports management areas, for example, by regularly monitoring key parameters at market, fund and investment levels, and by recommending actions.

The range of funds offered by the KGAL Group is always based on the current requirements of the market and our investors. The close integration of the regulated capital management company and the sales and service company, all under the umbrella of the KGAL holding, is a guarantee for customised, market-driven fund solutions. Future trends also play an important role in their development. Digitalisation has enabled us to develop innovative products and tap into new sales channels and customer groups. We continue to focus on the European region as we expand our international business.

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KGAL GmbH & Co. KG

KGAL Group is a leading independent investment and asset manager with an investment volume of 22.7 billion euros, across 82,000 investors. The Group, founded in 1968, operates across Europe and has its registered office in Grünwald near Munich, Germany. It focuses on long-

term capital investments for institutional investors in the real estate, infrastructure and aviation asset classes. 339 employees contribute to achieve earnings that are stable in the long term, taking into account aspects of revenue and risk. (As of 31 December 2017)

The management of KGAL GmbH & Co. KG



The Board of Managing Directors is responsible for the strategic control and leadership of the entire KGAL Group.



Gert Waltenbauer
Chairman

Gert Waltenbauer has been Chairman of the Board of Managing Directors since November 2014. As Chief Executive Officer (CEO), he is responsible for the areas of Human Resources, Marketing & Communication, Auditing, General Counsel and Compliance / Money Laundering.



Dr Thomas Schröer
Chief Financial Officer

Dr Thomas Schröer is Chief Financial Officer of KGAL GmbH & Co. KG and responsible for all the finances of the the KGAL Group as well as being responsible for the Controlling, Treasury, Group Accounting and Accounting departments.



Dr Klaus Wolf
Chief Investment Officer

As Chief Investment Officer (CIO), Dr Klaus Wolf is responsible for the areas of Law, Structuring, Strategic Research and Control. He was previously a Managing Director of the KGAL Investment Management subsidiary founded in 2013.

Sales and capital management

KGAL Investment Management GmbH & Co. KG



KGAL Investment Management is a regulated capital management company and full subsidiary of KGAL GmbH & Co. KG. It acts as the investment manager for new funds in the asset areas of real estate, infrastructure and aviation.



Michael Ebner

Speaker of the Board of Managing Directors and responsible for the areas of Infrastructure and Human Resources.



Jochen Hörger

Member of the Board of Managing Directors and responsible for the areas of Aviation and Finance.



André Zücker

Member of the Board of Managing Directors and responsible for the area of Real estate.



Dr Martin Baranowski

Member of the Board of Managing Directors and responsible for Risk Management, Fund Controlling, Outsourcing, Auditing, Law and Compliance.

KGAL Capital GmbH & Co. KG



KGAL Capital is also a full subsidiary of KGAL GmbH & Co. KG and responsible for overall relations with professional and semi-professional investors, both in Germany and abroad.



Florian Martin

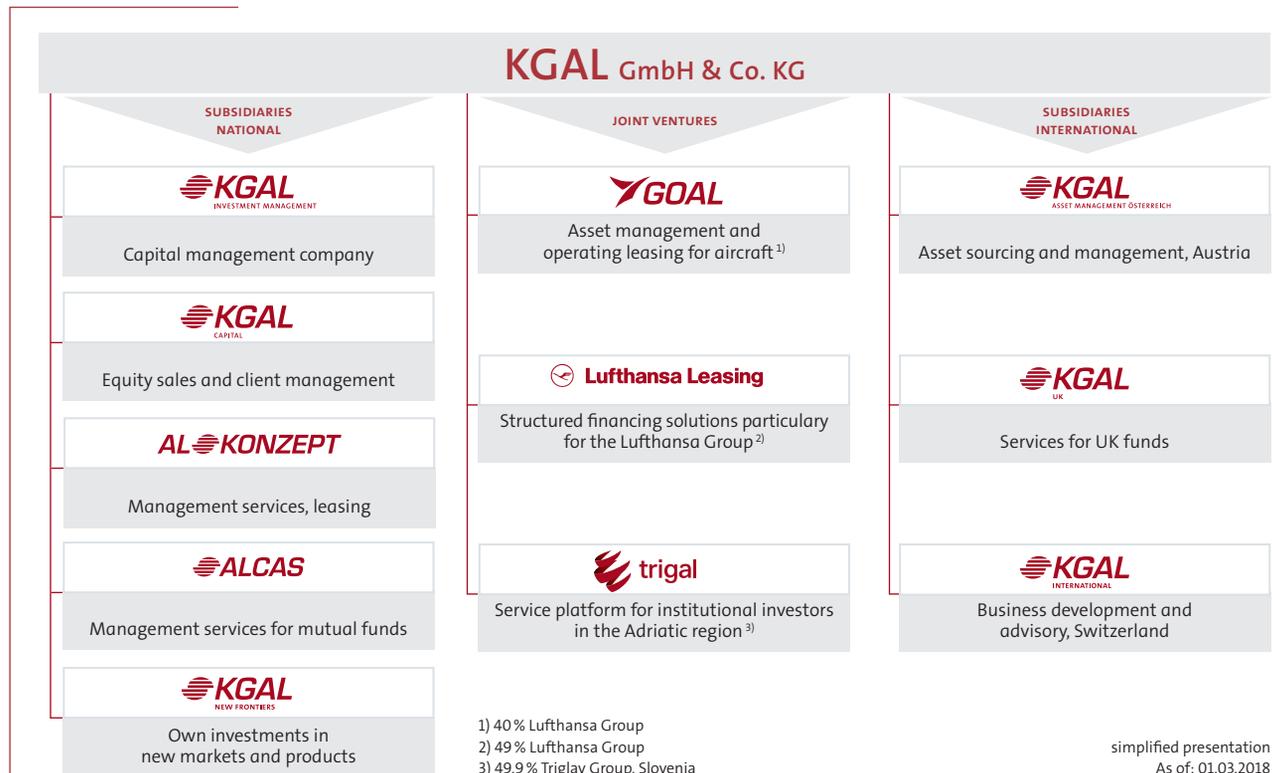
Speaker of the Board of Managing Directors and responsible for business with institutional customers in the German-speaking region. He is responsible for the areas of Finance, Compliance, Strategy and Human Resources.



Douglas Edwards

Member of the Board of Managing Directors and responsible for international sales to institutional investors.

Subsidiaries and holdings



Strengths



Clear focus on core business

KGAL has established itself as a leading, bank-independent European asset manager in the real asset sector. Its focus is on individual, tailored investment solutions. The fund's compliance with INREV guidelines ensures international acceptance.



Wide-ranging, future-oriented investment spectrum

The product portfolio of KGAL comprises investments from the equity, debt, core, core+, value added and opportunistic segments. As a pioneer with innovative investment solutions for institutional investors, KGAL opens up future-oriented investment markets.



Sustained performance commitment

Fund Management pursues the goal of performance with substance, i.e. achieving attractive and sustainable returns even in a volatile environment. For 50 years, this has made us an attractive and stable partner for our clients.



Powerful resources

KGAL has a full-service platform with significant transaction capacities. Strong partnerships, for example two joint ventures with Lufthansa, ensure market access and create additional acquisition and marketing opportunities.

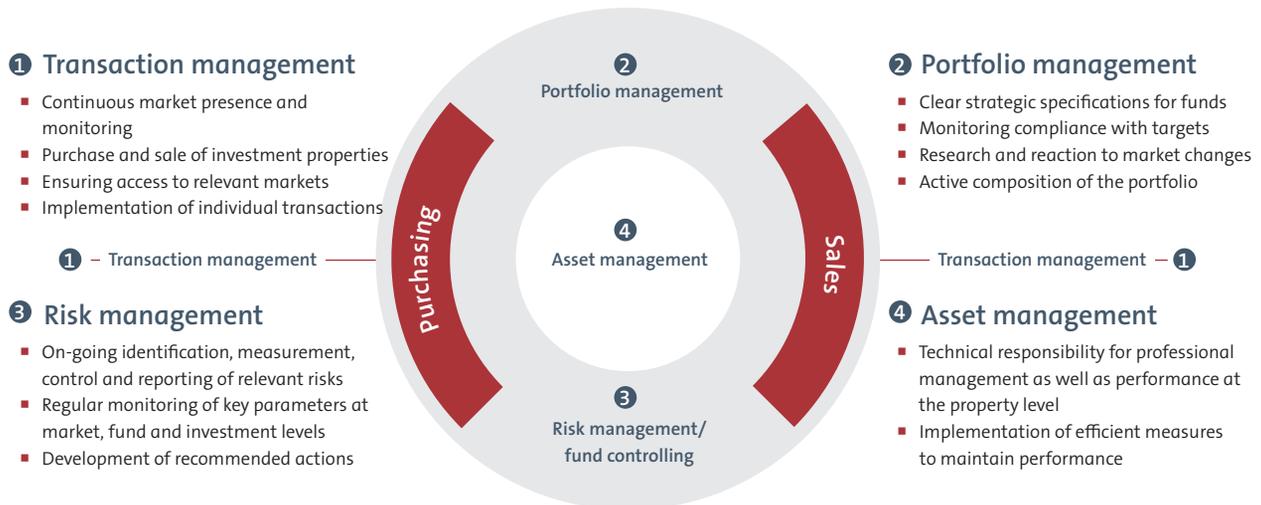


Extensive commitment to sustainability

KGAL takes into account mega trends such as climate change, mobility and urbanisation with its investment behaviour, thus contributing to sustainable development. Social commitment is deeply rooted in the company's values.

Integrated fund management

The quality of KGAL funds is based on the experience of in-house experts. They professionally assess risks and appreciation potential, and actively and continuously supervise the tangible assets throughout the life of the fund – from purchase to marketing. The KGAL asset classes are clearly divided into the areas of transaction management, portfolio management, risk management and asset management. Portfolio management assumes full responsibility for the investments.



Mega trends in the expanding market

Global and lasting revolutions in the economy and society.

Demographic change	<ul style="list-style-type: none"> The UN 2030 forecast: approximately 390 million more people over 65 High life expectancy increases the need for personal pension schemes
Reconstruction of social systems	<ul style="list-style-type: none"> From contribution-financed to equity-financed pension schemes Greater private initiative is required Personal savings rates for pension schemes must increase
Climate change	<ul style="list-style-type: none"> Populations in developed national economies have high levels of awareness KGAL offers capital investments in renewable energies KGAL pursues a clear sustainability strategy (ESG)
Urbanisation	<ul style="list-style-type: none"> Level of urbanisation worldwide in 2014: 53% Germany: 74%; France: 85%; Italy: 68% KGAL is a first mover for market trends: Walkability
Digitalisation	<ul style="list-style-type: none"> Unlocking new distribution channels and customer groups Developing new channel- and target-group-specific products Establishing the leading online platform in Germany for real assets
Low-interest phase	<ul style="list-style-type: none"> Risk spreading is even more important Value add strategy: creating value along the entire value add chain

Asset classes



Real Estate

The increased demand for security for investors and the favourable investment environment continue to ensure a strong demand for German real estate. KGAL mainly focuses on selected European locations for its investments. KGAL combines transaction management, portfolio management, asset management and risk management as part of an integrated approach.



Infrastructure

Climate change and the global focus on aspects of sustainability, e.g. for transport and in the heating sector, are the drivers of growth for sustainable energies. KGAL invests in diversified portfolios comprising wind, water and solar energy, and utilizes return opportunities through early entry into the value chain of projects while simultaneously continuing to manage risks.



Aviation

Low oil prices and programmes for increasing efficiency and renewing fleets have contributed to improving the profit situation of aviation companies and increasing the attractiveness of investments in aviation. KGAL's Aviation Portfolio Funds (APF) are widely diversified aircraft funds, whereby the technical asset management is handled by GOAL German Operation Aircraft Leasing.

Tangible assets

	 Real Estate	 Infrastructure	 Aviation
In the market since	1968	2003	1979
Number of fund and leasing companies	165	160	82
Managed active investment volume in EUR million	6,856	2,457	2,032
of which are assets under administration in EUR million	3,053	0	128
of which are assets under management in EUR million	3,803	2,457	1,904
New business volume in 2016 in EUR million	731	154	372
Key figures	1,318,139 m ² assets under management	65 photovoltaic investments in Germany, France, Italy, Spain, England	Transactions for > 700 aircraft
	97.9% leasing level	55 wind parks in Germany, France, Finland, Sweden	2 joint ventures with Deutsche Lufthansa AG
		4 hydroelectric power plants in Norway and Italy	
		1,066 MW total output	As at 31.12.2017

References from our funds



Jahreszeitenverlag/ Hamburg

The prestigious six-storey building is located between the Alster river and the centre of Hamburg's Winterhude district. There is around 25,790 m² of rental space available in total, as well as 308 spaces in the car park.



This office location has lots of future potential: modern architecture in an attractive environment, where working and living are perfectly intertwined“



Airbus A320-200/ Frontier Airlines

The manufacturer delivered two new Airbus A320-200 aircraft between June and August 2016. The transaction volume is around 77 million euros. The leasing agreements with Frontier Airlines have a duration of eight years from delivery.



We are delighted to add another solid building block to the well-balanced aircraft portfolio of APF 1 with this transaction.“



Gunillaberg wind farm

The transaction comprises seven Vestas V100 wind turbines with an installed output of 2.2 MW each and a hub height of 95 metres. The investment was completed in August 2017.



With the purchase of the two new wind farms, the total output of KGAL in the wind sector is now around 630 MW.“

Key figures

Company figures*

22,663

million euros of managed investment volume of all real estate and holding companies

11,017

million euros of total investment volume (for all funds)

8,618

million euros of equity (for all funds)

94

million euros of KGAL equity



102

closed funds

82,000

investors (incl. multiple subscriptions)

339

employees (Group)

* As at: 31.12.2017

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